

May 6, 2025

THE CORPORATION OF THE TOWNSHIP OF NIPIGON
Information supporting the proposed increases in Building Permit Fees
(as required by Section 1.2.1.2 of Ontario Regulation 332.12 under the Building Code Act)

NOTICE:

The Council of the Corporation of the Township of Nipigon is proposing to change the fee structure of the Township's building permit fees. This decision is recommended by staff, following a review of the current permit fee structure and the costs associated with providing the service to enforce the Ontario Building Code Act with regards to the issuance of building permits through Section 7 of the OBCA. The effect will be to change the overall fee structure with the intent to set fees based on size and complexity of the structure, while incentivizing the development of new dwellings and commercial spaces.

Council will discuss the draft fees on May 13, 2025, at their regular Council meeting and will further consider the approval of the proposed fee changes on May 27, 2025 at 7:00 pm at its regular meeting. Anyone wishing to provide comments should write to the CAO at cao@nipigon.net before Tuesday, May 27th @ 4:00 p.m. An opportunity for verbal comments will be provided during the meeting on May 27, 2025. Questions or requests for information may be submitted to cao@nipigon.net

Summary of Justification/Rationale for Increasing Fees

- As inflation from the COVID-19 pandemic greatly increased the cost of construction, the overall cost of building permits for residences/new development increased as the permit fee is determined by the overall cost of construction (Ex. \$8.00 per \$1000 of construction value). Given the high cost to build homes, most residential permits should see a decrease in overall cost.
- The minimum permit fee is set to increase from \$50.00 to \$70.00 to increase the overall cost recovery of Building Inspection Services, as inspection costs have increased drastically in the last few years.
- The proposed fees will mitigate permit costs being subject to market changes in inflation, where fees will be set based on the scope of the development and the overall footprint of the building.
- Rebates will be set for a set period of time to encourage new residential development, removal of derelict buildings, and new commercial spaces in Nipigon.
- The Township's renewed its CBO services contract, resulted in fees increasing by 16.7% in 2025. The cost for mileage to complete CBO services has also remained high due in recent years to the mileage rate as set by the CRA (70 cents per km in 2025).
- The Building Code Act provides that building permit fees can be set on a cost-recovery basis relative to the reasonable costs to provide the service.
- With streamlined processes, technological upgrades and new software, the Township has established a more efficient process for handling and administration building inquiries and services. These improvements should reduce the average amount of time that is required to

assist the CBO and residents with building related inquiries. These efficiencies should mitigate substantial increases for building permits in the future. Proposed changes (noted below) are expected to cover the increase in CBO services costs.

Proposed Fees versus Current Fees (as described under By-law 1946):

CURRENT SCHEDULE: \$8.00 per \$1,000 in construction costs (or a minimum of \$50.00 per permit)

Example #1: A new residential building permit for a \$400,000 residence, (regardless of size) would have a permit cost \$3,200.

Example #2: A garage valued at \$180,000 in construction costs (regardless of size) would have a permit cost of \$1,440.00.

Example #3: A new deck valued at \$10,000 in construction (regardless of size) would have a permit cost of \$80.00

PROPOSED SCHEDULE:

Category or Type of Fee	PROPOSED/Updated Fee Schedule (Effective June 1, 2025)
Group 'C' – Low Density Residential	Minimum \$750 up to 1000 sq ft or \$0.75/ft ² for buildings with a floor area over 750 sq feet
Group 'C' – Multiple Residential	Minimum \$890 up to 1000 sq ft or \$0.89 per square foot for buildings with a floor area over 1000 square feet.
Group 'C' – Residential – Major Alterations, additions	Minimum \$375 up to 500 ft ² . \$0.75/ft ² for buildings with a floor area over 500 ft ² .
Group 'C' – Garage, carport, accessory building,	Minimum of \$100 up to 250 sq ft or \$0.40/sq ft for buildings over 250 sq ft
Group 'C' –decks, docks, ramps, minor alterations, demolition	Minimum \$80 up to 200 sq ft or \$0.40 per square feet for structures over 200 sq ft
Group 'A', 'B', 'D', 'E', 'F' – new construction and major additions or alterations	Minimum \$880 up to 2,500 ft ² . \$0.352/ft ² for buildings with a floor area over 2,500 ft ² .
Group 'A', 'B', 'D', 'E', 'F', demolition	\$70.00
Change of Use Permit:	\$70.00
Permit Renewal (if not completed after 3 years):	50% of the original permit cost
Other permits: <ul style="list-style-type: none"> - Conditional - Moving Building - Signs - Temporary Structures - Woodstoves/Fireplaces 	\$70
Plumbing	\$30.00 + \$12/fixture over 5 fixtures

Historical Comparison of Cost and Revenues

Year	Revenues	CBO -Related Expenditures (Including administrative and supply costs)*	Net profit/(Loss)	# of Permits Issued	Estimated Cumulative Permit Value
2025 (to date)	\$3,861.44	\$4,818.74	(\$957.30)	4	\$783,800
2024	\$1,943.00	\$12,815.03	(\$12,465.03)	8	\$223,875
2023	\$3,262.03	\$6,809.66	(\$3,547.63)	12	\$390,253.22
2022	\$11,457.34	\$9,026.43	\$2,430.88	19	\$1,551,365

**Administrative expenditures relate to the time required by administrative staff (not including the CBO), to complete CBO related tasks including administrative support for the CBO, property research, building permit reviews, zoning compliance reviews, and administrative support to residents/prospective residents when inquiries are relating to building/development. Supplies relating to the building code enforcement are not accounted for in this expenditure line item, as they are immaterial in nature.*

Extracts of Applicable sections of the Building Code Act and Associated Regulations

Building Code Act, 1992, as amended

Extracts from Section 7 Bylaws, resolutions, regulations

7 (1)The council of a municipality or of an upper-tier municipality that has entered into an agreement under subsection 3 (5) or a board of health prescribed for the purposes of section 3.1 may pass by-laws.....

...

(c)requiring the payment of fees and prescribing the amounts of the fees,

(i)on application for and on issuance of permits,

(ii)for maintenance inspections,

(iii) for providing documentation, records or other information under section 15.10.4, and

(iv) for providing information under subsection 15.10.6 (2);

...

(2)The total amount of the fees authorized under clause (1) (c) must not exceed the anticipated reasonable costs of the principal authority to administer and enforce this Act in its area of jurisdiction.

...

Ontario Regulation 332/12:

Section 1.9.1.2. Change of Fees

(1)Before passing a bylaw or resolution or making a regulation under clause 7 (1) (c) of the Act to introduce or change a fee imposed for applications for a permit, for the issuance of a permit or for a maintenance inspection, a principal authority shall,

(a)hold the public meeting required under subsection 7 (6) of the Act,

(b)ensure that a minimum of 21 days notice of the public meeting is given in accordance with Clause (c), including giving 21 days notice to every person and organization that has, within five years before the day of the public meeting, requested that the principal authority provide the person or organization with such notice and has provided an address for the notice,

(c)ensure that the notice under Clause (b),

(i)sets out the intention of the principal authority to pass the bylaw or resolution or make a regulation under section 7 of the Act and whether the bylaw, resolution or regulation would impose any fee that was not in effect on the day the notice is given or would change any fee that was in force on the day the notice is given,

(ii)is sent by regular mail to the last address provided by the person or organization that requested the notice in accordance with Clause (b), and

(iii)sets out the information described in Clause (d) or states that the information will be made available at no cost to any member of the public upon request, and

(d)make the following information available to the public:

(i)an estimate of the costs of administering and enforcing the Act by the principal authority,

(ii)the amount of the fee or of the change to the existing fee, and

(iii)the rationale for imposing or changing the fee.